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Industrial Horizons



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Highlights of Community Development Conference



GOVERNOR ADDRESSES CONFERENCE LUNCHEON GATHERING. Left to right: Mr. J. Guandolo, Associate General Counsel, Housing and Home Finance Agency, Washington, D. C.; Dr. R. R. Renne, Member, Advisory Council to State Planning Board; Mr. J. S. Umber, Member, Advisory Council to State Planning Board; Governor J. Hugo Aronson; Mr. L. R. Durkee, Housing and Home Finance Agency, Seattle; Mr. W. F. Rooney, Manager, Ebasco Services, Inc., Portland.

Total registration for the first statewide Community Development Conference in Helena on April 19th and 20th was over 150 with representation from nearly every section of the state.

Interest remained high throughout the meeting and each speaker's presentation was well received by those in attendance.

JAMES W. CLARK

James W. Clark, Commissioner of the Minnesota Department of Business Development, delivered the keynote address and in doing so paid tribute to the Planning Board and the people of Montana for embarking on a program "sustained by purpose and applied on both a local and state level." Clark's main theme centered around the need for growth in the value added by industry. He pointed out that over-all Montana has not been doing too badly since it has been moving forward at a fairly rapid rate in the past decade, but the nation as a whole has been moving forward at an even more rapid pace. He pointed out that

"Montana can sell as well as buy preferred goods, those carrying a large element of cost in the value added by industry. Montana can invest in itself and its industrial and commercial enterprises rather than depending upon other and distant hands to write out the checks and cash the profits. Montana can hold her own, her most precious treasure, her youth, because there is, contrary to what many of them and their parents now believe, something for them here."

Clark warned that industrial development is not easy and is not all pleasure by saying that "The attainment of industry . . . is comparable to attaining an increase in the size of the family. Conception is pleasant, but parents soon learn one can't be just a little bit pregnant. It does take all of nine months, sometimes as many years; labor pains are quite frequently severe; and even after the child is born it is quite evident at times there has been regression to the in-laws' side of the family. Just the same, the saddest parents are those who have lost a child. Care

must always be taken not to let any parent, or any leader, get others."

Clark concluded his remarks by pointing out that "The community is something more than a place, more than people. It is a common wealth of duty and a common sense of purpose and of love. It is kept together, not by the force of law, but by the common and personal faith of its leaders, and by the love of the community which binds them. There is always a responsibility in being so comfortable and secure in our own little corner of the world. The matter of solving the problems and reaching the goals of community industrial development is all yours. You are the people. You are the ones who are in tune with the times of the times. To those who doubt the reply of the poem, I say:

"You say that the answer is that I have will, courage, and they never will give up the hovering so I don't think that I can take they would But I am proud of my fate In favor of my right to which side Shall feel the stubborn clime of my weight."

PERRY F. ROYS

The Director of the Montana State Planning Board, Perry F. Roys, talked on "An Approach to Industrial Development in Montana." In his introductory remarks the Director emphasized that industrial development is hard work with a purpose—the purpose of social and economic advancement of the people of the state by providing new jobs and productive capacity at a rate which is at least equal to the increase in population. "If this rate is not maintained, we go backwards; we are not even able to maintain the status quo," he said.

In analyzing Montana's situation Roys used the theme, "where we are now and how we got here," and expressed his belief that we are now moving into a phase of economic development where we can hope for more rapid progress toward a selling status. It was pointed out that Montana's basic and principal source of income is derived from agriculture, minerals, timber, manufacturing, and the tourist industry. They are the economic endeavors which make up our past, present, and also the

ature, and "Early recognition must be made of the fact that our principal development potentials lie in the field of natural resources: the attraction of industry to produce and further process these assets involves the discovery of opportunities, attention to changing market conditions, and provision for the type of conditions which make industrial location in Montana more advantageous than in other competitive areas," Roys said.

He stressed the point that much of the job is at the local level because the communities which engage in action programs to bring about business expansion and new developments, which in turn cause further community growth and progress, are finding the results well worth the hard work that is involved.

WILLIAM F. ROONEY

In the first talk of the second day's session, William F. Rooney, Manager of the Western Regional Office of Ebasco Services in Portland, Oregon, delved deeper into the theme that industry today is looking for communities that are good places to live as well as good places to work. He pointed out that "this basic fact means that industrial management, in considering a new plant location, is vitally interested in the intangible qualities of community life along with an appraisal of the existing industrial climate. It is a hard economic fact that the success or failure of a new industrial plant is largely dependent on how happy the families of key men will be in the community."

Mr. Rooney outlined and illustrated in a most interesting and effective manner the principal qualities that make a community a good place to live.

"The community that has the most of these tangible and intangible advantages will naturally attract the types of industries that will prosper in the community and become good business citizens," Rooney concluded.

PATRICK M. DOWLING

Patrick M. Dowling, Manager of the Pacific Northwest Office of Stanford Research Institute, emphasized the need for careful pre-planning and a realistic approach to prevent wasted research and promotion effort in his talk, "How to Evaluate Your Community's Assets and Liabilities." Dowling stressed that efforts should be directed toward assisting businesses which are spending huge sums in locating their plants.

"In these efforts, outside services can be obtained from schools, consultants, research organizations and the like, but communities can get much from a "do it yourself" study too. "The research phase is important, but completion of a research job doesn't end the community's problem. It points the way to various problem areas of planning and promotional action. Once the research is finished, your job has just begun," Dowling said.

JOHN N. RENTZ

John N. Rentz, of the Office of Area Development, U. S. Department of Commerce in Washington, D. C., discussed the principal characteristics of the more than 2,100 industrial development corporations or foundations that are now in existence in the United States. Rentz pointed out that over 60% of these organizations have succeeded in attracting industry to their communities or have helped already established local industry to expand. They all have one single purpose: "To provide jobs and increase local income by aiding establishment and growth of tax-paying firms producing goods and services distributed outside the community."

Rentz used examples and illustrations liberally in his talk to demonstrate the various functions performed and the degree of success being attained in various parts of the country. He was most emphatic in pointing out that community industrial development corporations or foundations "require widespread community support for success, and success does not come easily; it results from hard work and lots of patience."

L. R. DURKEE

"Urban Planning and Renewal Programs" was the subject of the talk by Mr. L. R. Durkee, Area Representative, Region VI Area Office, Housing and Home Finance Agency in Seattle, Washington.

The Urban Planning Assistance and Urban Renewal Programs of the Urban Renewal Administration received his primary attention. He pointed out that the purpose of these programs is to stimulate community action on blight prevention and slum clearance. They are programs to help the communities help themselves. Federal aid is offered to supplement local efforts for those communities which are unable to finance their complete programs. Aid under the Planning Assistance Program must be obtained through the medium of a state planning organization empowered to receive and administer federal funds. (Note: The State Planning Board is eligible to participate with Montana communities, and further detail on this program is contained elsewhere in this issue of Industrial Horizons.) The Urban Renewal Program, designed for blight prevention and slum clearance through redevelopment and renewal measures provides federal assistance direct to qualifying communities. To qualify, communities must have a workable program as defined by the U. R. A. Mr. Durkee left descriptive pamphlets of this program with the Planning Board for communities which may be interested in this type of federal assistance.

JOSEPH GUANDOLO

Joseph Guandolo, Associate General Counsel of the Urban Renewal Branch, Housing and Home Finance Agency in Washington, D. C., com-

plemented the discussion of Mr. Durkee with a discussion of "Legal Considerations in Urban Planning and Development." Guandolo added emphasis to the point frequently made during the conference, "that communities that are to compete successfully for new industry should get their houses in order by undertaking sound programs of community development—the conclusion is inescapable that the community which is unattractive and afflicted with slums, blight, or urban deterioration will likely repel new industry." He pointed out that Montana communities of less than 25,000 people may now invoke the assistance of the State Planning Board in obtaining federal planning assistance grants, but that "the state of Montana has not adopted any enabling legislation to authorize cities and other local public agencies to undertake urban renewal programs." He described effective urban renewal programs as embracing two basic undertakings, namely, conservation and rehabilitation on the one hand, and slum clearance and redevelopment on the other. In order to carry out programs directed to these objectives, a city must have two basic legal powers, among others, vested in it. These fundamental powers are (1) the eminent domain power, and (2) the police power. After thorough discussion of various legal implications and types of federal assistance available to qualified areas, Guandolo concluded by stating that "the fight on urban blight may be fully justified upon grounds other than attracting new industry however important it may be in that regard. . . . Urban renewal has an impact on human lives that cannot be measured in dollars and cents. Community pride and loyalty, the psychological lift that is engendered, the comfort and convenience that are afforded and the many other intangibles that are provided through improvements in housing and living environments are incalculable."

COPIES OF TALKS SOON AVAILABLE

Copies of individual talks or a complete set, along with a recorded transcript of the two discussion periods will be available upon request about June 1st. Persons registered at the conference need not make special request since they will be furnished with copies as soon as available.

Several speakers at the April Community Development Conference recommended the Industrial Development Magazine as a good reference for community groups. The Planning Board subscribes and thinks it's tops, too. Here's the address: Industrial Development Magazine, Conway Publications, 5009 Peachtree Road, N. E., Atlanta, Georgia. Subscriptions cost \$3.00 per year.

State Planning Board May Participate In Federal Planning Assistance Program

The Montana State Planning Board may be considered an eligible applicant for Section 701 Federal grants for the provision of planning assistance to municipalities having a population of less than 25,000. This was the effect of the opinion of Montana's Attorney General in his letter of January 4, 1956 to the Board, and it is also the decision of the Housing and Home Finance Agency after review of the Attorney General's opinion and evaluation of the Planning Board as a prospective applicant on behalf of Montana communities.

The effect of these opinions now means that additional steps may be taken by the Planning Board to assist Montana communities of less than 25,000 population, which lack adequate planning resources, to obtain Federal grants for planning purposes (including surveys, land use studies, urban renewal plans, technical services and other planning work, but **excluding** plans for specific public works). It should be understood that grants are for planning work only, and do not encompass actual construction costs. It is impossible to present all aspects of the program in detail in these pages, but the following are the most significant:

Grants can be made to the State Planning Board up to 50% of the estimated cost of the community planning work for which made. The Planning Board is responsible for proper administration and utilization of the grants. For participation in the program the state and local governments must provide the other 50% of total costs. Since the Planning Board has no funds for matching purposes, the entire amount of necessary matching funds must be provided by communities making application.

The work covered by a grant contract is known as an Urban Planning Assistance Project. A grant is made on the basis of a project application and supporting information submitted on forms supplied by the Urban Renewal Administration (not now available from the Planning Board). The supporting information must include evidence of the eligibility of the applicant for a grant, identification of the municipality to be aided, description of the purpose and nature of the planning work to be done, amount and sources of non-Federal funds, and a project budget showing estimated costs for various categories of expenditure.

A grant may cover a period of a few months or a year or more. However, the applicant must state the expected duration of the work and the results to be accomplished during the period.

The following are indicative but not all inclusive of the types of planning activity that are considered eligible for planning grants:

- a. The preparation of general community plans required as part of a "workable program" for urban renewal, or required in connection with other programs of housing, slum clearance or urban development or redevelopment or the preparation of vital elements of such plans or studies incident thereto.
- b. Plans directed toward the elimination or prevention of conditions likely to cause slums or blight.
- c. General plans needed to insure the proper location, extent and character of public works financed in whole or in part with Federal funds (but not including plans for specific public works projects).
- d. Preparation of over-all public improvements programs and capital budgets.
- e. The replanning of areas destroyed or damaged by disasters.
- f. Plans to reduce the vulnerability of congested urban areas to enemy attack.
- g. Plans for areas affected by the establishment of government installations or major industries, or by the discontinuance or reduced operation of such installations or industries.
- h. Formulation of zoning and subdivision regulations and other land use controls.

Advice from the Housing and Home Finance Agency indicates that they will send a representative to Montana to make personal contact with the Planning Board and interested cities when and if a serious interest is apparent. The Board has also asked to be furnished with descriptive pamphlets for examination by interested communities. These are expected momentarily, and will be sent upon request so that communities can investigate the program thoroughly in considering whether or not application should be made. When communities have reviewed the program and have determined that they would like to submit application, arrangements will be made to have a representative visit Helena, for outlining the various elements of the program in detail and for providing assistance in making out applications. If your community would like more information on this program, contact the State Planning Board in Helena.

WATCH BUTTE— SOMETHING'S HAPPENING

In addition to hearing that Butte is the "richest hill on earth," the visitor to that city nowadays is finding out that the people who live there like it, for every store and business place has a sign in the door saying, "I like Butte." This all started with a campaign sponsored by the Butte Chamber of Commerce, which has been taken up by other community groups, the newspaper, radio and TV stations, and a large part of the citizenry. Wherever you go in the mining city, there is an atmosphere of optimism and it is not without sound basis for further growth and progress seems assured. Butte could again become Montana's largest city.

The chief factor in Butte's optimism is the recent announcement of Anaconda Company that a \$36,000,000 expansion of mining activity is underway in the Butte area. It is expected to add 2,500 workers by 1960 and will probably increase population by 10,000 to 12,000. New mine developments include both underground and open pit operations. Underground mining will be based on sinking of a new multi-million dollar shaft in northwest Butte, to be named after John D. Ryan, former Chairman of Anaconda's Board of Directors. About \$7,000,000 will be expended on equipment to be used in open pit operations, and approximately \$9,000,000 will be spent on changes in mill, smelter, and railroad rolling stock operations. The expansion program will result in the mining of large blocks of low-grade copper and zinc ores, with production expected to reach 17,500 tons a day by mid-1957.

Butte never has been lacking in community spirit, but even less so now. Additional mining activity in combination with other developments, such as the construction of Safeway Stores' new distribution center to serve Montana, is just increasing the zest. Plans for urban planning, urban renewal, and other modernization programs are being investigated and formulated, and Mayor Tim J. Sullivan has called a meeting of 30 community groups for May 25th to discuss and organize a Community Planning Committee, to plan for immediate and future growth based upon the city's strategic geographic position in the state. This appears to be but another step to emphasizing the Butte citizen's comment, "I Like Butte." (For other developments related to Butte's current economic and social improvement, see report of "Miscellaneous Development Activities" in the February issue of INDUSTRIAL HORIZONS.)

Added increases in sand and gravel production are expected as a result of the continuing high level of construction activity. Additional impetus may be given through an expanding highway construction program.

It Can't Be Done -- But Red Lodge Did It!

Red Lodge, Montana is being called "the town that refused to die" by those familiar with the problems faced there during recent years. The reason: Red Lodge and its people have gotten together and taken advantage of a new opportunity in a way that is not often heard of nowadays in small communities. The result is a new plant to make char from coal involving an initial investment of \$85,000 to \$90,000, with employment of about 20 persons in the early production stages.

It's quite an interesting story and too long to tell in detail here, but these are the highlights:

Since the 1880's, Red Lodge has been a coal mining town, but during the 20's and 30's markets for its main product declined and never recovered as a result of the shift from coal to natural gas and petroleum products as a source of fuel. Over the last few years, however, there has been an increasing amount of attention and development in the use of coal derivatives for plastics, creosote tars, and char to name a few. The question in the minds of many Red Lodge people became, "Can our coal fit into this picture some place?" Through numerous community meetings, contacts, promotional efforts, and continual attention to the question, widespread public interest was generated. D. W. Columbus, Mayor of Red Lodge, and others from the community kept working - making trips, inquiries, and following all possible leads. From all reports, they were relentless in the energies expended to prevent Red Lodge from being a depressed area and in endeavoring to balance their substantial summer tourist and vacation industry with other income opportunities. The chance they had been looking for occurred this year.

The Chemical Engineering Department of Montana State College in Bozeman has for several years been doing a limited amount of research on coal processing and utilization. These efforts were given a spur by

the passage of a legislative appropriation of \$30,000 for "extensive chemical experimentation with Montana coals" introduced successfully by Representative Earl Clark of Musselshell County during the 1955 legislature. Among the chief results of these investigations was the finding that certain Montana coals are suitable for char for industrial uses.

This was about all Red Lodge needed. Koal-Krudes, Incorporated, a Spokane corporation, needed a location with the coal, a plant site, and additional investment capital. Red Lodge provided all three. James R. Brophy, owner of the Brophy Coal Company, had the coal, and worked closely with Koal-Krudes people and Dr. Lloyd Berg of Montana State College on technical and economic aspects; the City of Red Lodge donated a tract of land adjacent to the railroad for a site; and the people of Red Lodge invested in the company in the amount of \$40,000, and, according to reports from R. B. Zachary of the Meyer & Chapman Bank in Red Lodge, would have purchased more stock had there been a need for it.

Mr. Zachary reports that construction of the plant will probably start in June. Initial plans call for a plant size to process about 200 tons of coal per day. In addition to about 20 persons to be employed by the plant, employment of miners will increase, and all of Red Lodge will benefit. The plant is to be constructed to facilitate expansion as markets increase, and information from Dr. Berg of Montana State College indicates that growth is likely, based upon the large number of inquiries being received from char users.

Thus the construction of this plant may not be the complete story, but in any event the part we've heard is most encouraging. The spirit and vigilance of these Red Lodge people shows what can be done, if there's the will to do it. Montanans apparently can and will invest in Montana's future.

APRIL 25th TO MAY 5th SAW EMPHASIS OF CONSERVATION

By Governor J. Hugo Aronson's proclamation, April 29th to May 5th was set aside as Conservation Week and the subject received much attention throughout the state. Though the week set aside is ended, the problem of conservation and its complementary problem of development is not. They are with us every day of every week and year.

This is especially true in Montana, since our state's main development potentials are tied more closely to natural resources than in many other states, and we are fortunate, by comparison with many other areas, inasmuch as "we can have our cake and eat it too." Our resources are far from depleted and our main period of development lies in the future. Our streams and the air over our cities have not been polluted to any appreciable degree, our forests have not been denuded to the extent that has occurred elsewhere, our outdoors has been relatively little damaged, and hunting, fishing, and other outdoor recreational opportunities still have room for expansion. As a consequence, we can concern ourselves more with preventive measures than corrective ones.

Montana is so big, with so many opportunities, that if we use our heads we can maintain and improve our life centered on outdoor living and still have all the benefits that go with industrial growth and progress. This means attention throughout the year to conservation, with emphasis on "wise and beneficial utilization" so our natural resources can be developed on a sound and orderly basis for this and future generations. If this idea becomes a part of our daily thinking and is used as a basis for our actions, Montana can experience continued economic and social progress, the ultimate aim of both conservation and development enthusiasts. But it's a job for 365 days of the year.

Industrial Horizons

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Persons or organizations wishing to receive HORIZONS may be placed on the mailing list by sending a card or letter to that effect to the State Planning Board with the name and address of recipient clearly indicated.

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